

EXHIBIT D

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9 Acacia Media Technologies Corp.,

10 NO. C 05-01114

11 Plaintiff,

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**FURTHER CLAIM CONSTRUCTION
ORDER ; ORDER FINDING CLAIMS
TERMS INDEFINITE AND CLAIMS
INVALID**

16 vs.

17 New Destiny Internet Group, et al.,

18 Defendants.

19 And All Related and/or Consolidated Actions.
20 _____ /
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I. BACKGROUND

22 In its July 12, 2004 Claim Construction Order, the Court reached a tentative conclusion that the
23 term "sequence encoder" as used in claims 1, 7, 17, 18, 32 and 33 of the '702 patent is indefinite. This
24 tentative conclusion of indefiniteness was based on the Court's findings from the intrinsic evidence that the
25 term: (a) is never used in the written description; (b) does not appear in the drawings; (c) has no plain
26 meaning, and (d) cannot be inferred to be a "time encoder," since a time encoder could be described in a
27 dependent claim as a limitation of a sequence encoder.
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1 block 112 in the specification do not assist the Court in defining what an "identification encoder" is. All that
2 the specification does is to describe what the "identification encoder" preferably must do. The specification
3 does not disclose a circuit, a computer operating a software algorithm, or other apparatus which performs
4 the functions designated for the "identification encoder."

5 Under certain circumstances, it may be permissible to claim invention of an apparatus and include in
6 the specification only a block diagram along with a description of some of its functions. However, this
7 method of claiming an apparatus is only permissible if the device is a conventional one, such that a person of
8 ordinary skill would readily understand what the device is. Claiming an apparatus using only a block
9 diagram with functional description is indefinite when the patentee names the device using a coined term and
10 the various functions could be performed by an indefinite variety of devices.

11 Acacia's expert witness, Mr. Weiss, testified:

12 Q. Does the '702 patent identify any single structure for identification encoder?
13 A. No, it does not.
14 Q. Does the '702 patent require any single structure for identification encoder?
15 A. Does it require? No, it does not.
(TR. 146:10-15.)

* * *

16 Q. Take a look at column 6, line 39 through 42. What else, if anything, would
17 the hypothetical person of ordinary skill have understood about the
identification encoder from reading that portion of the specification?
A. . .that the identification encoder could similarly be located at any of those
places in the system.
(TR. 93:5-18.)

18 At one point, Mr. Weiss stated that the only non-optional function of the "identification encoder" was
19 "assigning a unique identification code." His stated assessment was based on the wording of the patent
20 description. On the basis of Mr. Weiss' opinion, Acacia contends that the only function to be included in
21 the construction of "identification encoder" is assignment of a unique identification code. The Court,
22 however, must also include functions which may be worded as optional, but which would render the
23 invention inoperable were they not included. If the Court did not do so, the patent would have no utility.
24 Indeed, at another point in his testimony, Mr. Weiss disagreed with the "only non-optional function"
25 analysis, stating that one would have to list other functions of the "identification encoder." (TR. 291-293.)
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